

Newark Redevelopment and Housing Authority
1977 Annual Report





*Mr Nottle was the Executive Director of the Authority during the period covered by this report. He has since resigned from the Authority to seek public office. Mr Hugh R. Hill has been serving as the Acting Executive Director.

There is a new sense of purpose in Newark today which we of the Newark Redevelopment and Housing Authority share. This new understanding stems from a number of factors, including the substantial record of progress that has been made during the last decade, often in the face of great odds. The widely prevalent feeling among leaders in government, the city's business community and a significant sector of Newark's population is that the record of the recent past constitutes a solid foundation on which to build for the future.

The role of the Authority in this unfolding story is a unique and important one. Fundamentally, our mission throughout our forty-year history has remained constant: to provide decent shelter for the residents of our city and to spur the city's economic progress in our role as an urban renewal and redevelopment agency. But we have entered a new era in which our objectives are broadening. We do not view our functions of housing and redevelopment as independent, but rather as activities that are mutually dependent upon each other—activities that must be integrated if the city is to achieve a balanced growth. On the one hand, a good residential climate—of which housing is an obviously important factor—is vital to our local economy. On the other hand, the growth of commerce and industry is crucial to the well-being of the city's population because it provides more jobs and greater tax revenues.

Because the Authority is the only agency whose responsibilities cover housing and redevelopment, we are in the unique position of being able to coordinate our activities in both of these areas. During the past year, we have continued to pursue a housing program that is producing family and senior units based on funding from a number of financial resources. We are focusing our redevelopment efforts on the Industrial Meadowlands, which is proximate to a large labor pool and superb transportation facilities and has a potential for industrial investment that is equalled by very few other areas in the world. Our marketing efforts in the Meadowlands are being aided by a number of agencies, as well as by financial incentives available to developers.

As this indicates, we do not work alone. We join with many other agencies, businesses and individuals in both our housing and redevelopment functions. In situations that could be highly competitive, we have sought and have found a remarkable degree of cooperation among all of these elements. A quality common to all agencies and individuals with whom we work is their dedication toward restoring the city's vitality.

The results of these combined efforts are reflected in construction and development figures during the last decade. Nearly \$150 million in housing has been constructed, with over \$50 million additional in construction or final design. In the Meadowlands alone, the investment by private developers has amounted to about \$36 million over the past ten years. Impressive as these figures are, there remains much to be done. The outlook for the nation's economy indicates that our greatest challenges may still be ahead of us. But we face the future confident in the knowledge that we possess the human resources, the experience and the will to revitalize the city.


Pearl Beatty

Commissioner and Chairperson


Robert Nottle*
Executive Director

W. J. DOCUMENTS
NEWARK, NEW JERSEY

Housing Production



A refreshing concept has entered the thinking of those with the responsibility of providing safe and decent housing for urban residents. No longer is the challenge to produce housing satisfied by the construction of a large number of housing units in a nameless and faceless environment. Out of the long experience of housing officials, and of the expressions from city residents themselves, has come the understanding that people desire a sense of community as well as a roof over their heads. They want to belong to their community, to live in definable neighborhoods.

The Newark Redevelopment and Housing Authority sponsors a diverse program to meet the housing needs of the city's citizens. It has worked to establish a strong sense of community within existing housing complexes, introducing a wide range of social services and ways in which residents can participate in the operation of their own projects. It is building, and cooperating with other agencies to build, the kinds of units that are scaled to neighborhood dimensions. Such units are of the garden apartment and townhouse styles; these are widely recognized as far more suitable for family living than the high-rise apartment buildings which were popular housing construction types in past decades.

In terms of immediate housing production, the authority must compete with other governmental agencies for private investment, which is increasingly necessary to construct or rehabilitate new housing.

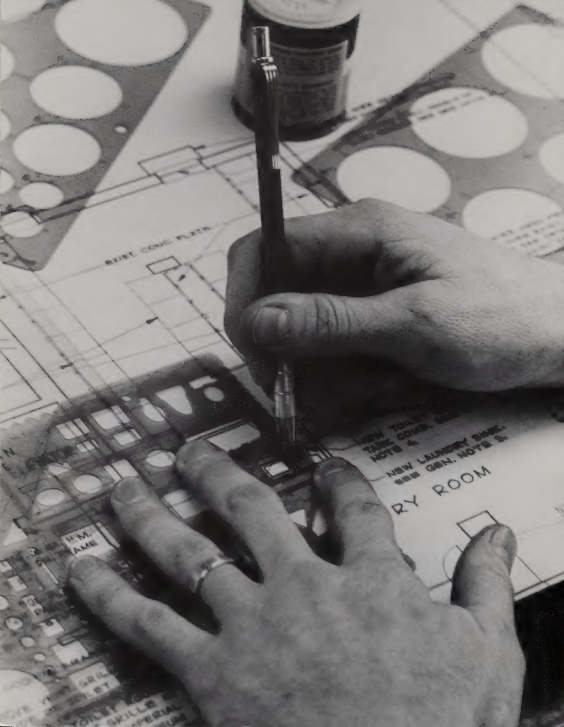
During the past year, it has employed a previously little-used but highly effective device to attract private investment funds. This device, known as 11-B Corporation, allows the Authority to set up its own non-profit corporation which sells bonds to underwrite the construction and mortgage costs of housing structures. During 1977, the Authority formed such a corporation for the purpose of developing a new 10-story, 200-unit elderly apartment building on Franklin Avenue overlooking Branch Brook Park. A bond issue totaling \$7.2 million was sold to 12 institutional investors. Although the bonds will be redeemed to investors primarily through rental income, investor security essential to the success of the transaction was present in the form of federal guarantees to provide rent subsidies under the Section 8 program.

The Authority plans to use the 11-B Corporation device to finance further housing projects. The flexibility of the 11-B Corporation allows its use not only as the vehicle through which bonds may be issued, but also as the instrument by which mortgages may be insured. Once the financing process is accomplished, monies may be applied to construct a wide variety of housing types, for both elderly and family occupancy.

In other areas, the Authority continues to make use of traditional housing funds from former subsidy program for construction of low-rise, low-density design for family living.

The Authority has been able to provide early-phase guidance and assistance to private and community sponsors of projects financed by the New Jersey Housing Finance Agency. In its role as the urban renewal agency for the city, the Authority's professional staff packages land, helps sponsors comply with a maze of land use and building regulations, and in general expedites the complex development process.

The Authority also is participating in the rehabilitation of several multi-family houses in the federal historic district of James Street Commons in downtown Newark. This is a cooperative effort with the city and its business community to spark a residential revival of the 20-block James Street neighborhood.





There was a time when the relationship between landlord and tenant was very narrowly defined and heavily weighted in favor of the landlord. Time, new laws and a growing awareness by the Authority as well as by residents, have led to a number of new forms of management where partnership rather than authoritarianism is heavily emphasized.

The Authority faced up to a number of realities in examining its own housing complexes. Shifting priorities on the part of the federal officials made money scarce for many of the things that could be done. The physical plant itself was aging; the Authority was among the first such agency in the nation to build public housing. The Authority had to acknowledge a significant degree of tenant dissatisfaction that had built up during years when previous administrations were unable to keep pace with necessary repairs.

The involvement of tenants in the management of their own housing projects, where appropriate, became a first priority. A remarkable pooling of ideas was achieved among tenants themselves, the Authority, community and business groups and the office of Mayor Kenneth A. Gibson. Following a series of meetings under Mayor Gibson's aegis, the Authority, with the assistance of an experienced management consultant firm, initiated a resident-management training program and extensive physical rehabilitation work at Stella Wright Homes. During the last year, residents assumed supervisory positions, ran the complex's security system, screened prospective residents and participated in numerous other ways in the management process. A similar program of resident participation is also being adopted at Columbus Homes, and the program may also be introduced at Scudder Homes in the near future.

At the same time, the Authority encouraged and directed the formation of a Newark Tenant's Council with representatives from every public housing project in the city. This organization has worked closely with the Authority on many matters of concern to residents.

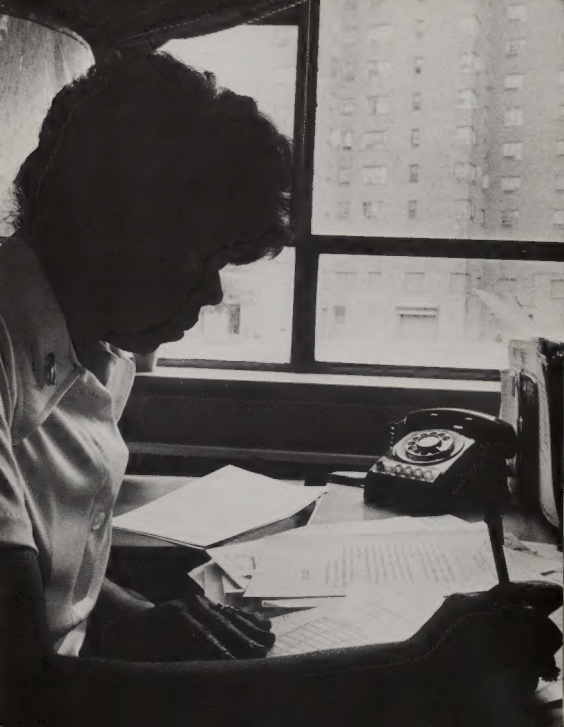
On top of this, the Authority has participated in a Tenant Participation Task Force through its Executive Director, Robert Nolte, who was appointed to the group by HUD Secretary Patricia Harris. The purpose of this task force is to define in detail the relationship of tenants to management in the public housing community.

At another departure from the traditional management approach has been instituted at the James C. White Manor for the elderly. Here, an experienced private management firm has been employed to provide all management services to run the 200-unit building. The response of residents has more than justified this arrangement.

Another senior citizens building, the new 200-unit Branch Brook Senior Citizens Homes, a variation in management techniques is being employed. Here, because of residents' close ties to the North Ward community and the interest of the community itself in the success of this building, an association composed of representatives of the community is working closely with the Authority to provide social services while the Authority for the time being maintains basic management responsibilities.

The Authority continues to manage many of its complexes itself where it is appropriate to do so. Yet even in these cases, there is a difference. Today every effort is made to establish ongoing communications with the residents through their tenants' association and its leaders. This is a practice that has had highly favorable results in terms of residents' cooperation and morale.

Whatever form public housing management takes, results are of utmost importance. The Authority's objective is to run its housing complexes efficiently and professionally, in a manner best suited to the residential character of each.





Economic Redevelopment



A growing viewpoint acknowledges Newark's weaknesses but sees the city in evolution, changing and growing. Newark started with a powerful industrial base which gradually eroded through the 20th century under pressures created by the Depression, competition from the suburbs, and most recently, social turmoil.

Despite these adversities, Newark was able to regain a good measure of stability by holding onto much of its financial and insurance community, and by holding onto much of its financial and insurance community, and by helping to create a new complex of educational and governmental institutions.

Now there is a sound basis to believe that the city has entered a new industrial era which will once again move it forward. The Newark Redevelopment and Housing Authority is using its entire range of professional resources to bring about the expansion of the city's industrial base. This is an effort that has important spin-offs. As industry expands, so does the number of jobs and in turn, the well-being of the city's residents; the Authority's redevelopment efforts have produced over 4,000 new industrial efforts during the last five years alone.

Although the Authority is involved in redevelopment projects throughout the city, it is focusing economic development projects primarily on the redevelopment of the Newark Industrial Meadowlands. Here it is making valuable industrial land available to prospective developers under financially attractive land-acquisition and development arrangements.

The Authority offers a comprehensive development package designed to assist a developer through the total process. This includes its ability to assemble parcels of land that often makes the difference in a developer's decision to locate on a city site. It also is active in advance site planning, in counseling and preparation of administrative work necessary in dealing with government agencies at all levels, and in many cases, in assisting with the financing of the development.

It has helped obtain favorable financing from the state or federal Economic Development Agency and the federal Small Business Administration. An effective device available to redevelopers is tax abatement under the state Fox-Lance Law, whose provisions apply to areas such as the Industrial Meadowlands.

The Authority's marketing program in the Industrial Meadowlands has been undertaken in cooperation with the Newark Economic Development Corporation. It emphasizes the substantial advantages of this area over other industrial sites. It points to an unparalleled transportation system that gives an industry immediate access to major highways, railroads, shipping and airlines. It cites a large labor pool of skilled and semi-skilled workers in the area. The availability of all utilities already installed to meet heavy industrial requirements, a feature often lacking in outlying industrial parks, is stressed. And it is pointed out that the uncertainty of the energy situation could make the city, with its concentration of transportation and services, an excellent place to do business in the future.

An extraordinary degree of cooperation between the Authority and the city's business community marked the past year. A commission arrangement was announced with industrial realty brokers in order to encourage their help in the marketing process. Later in the year, the business community pledged loan funds for the purchase of a valuable industrial tract, lying outside the R-121 Industrial River area. That proposed purchase is still pending.





Operations Department



The Authority's long experience in producing and managing public housing has led it to seek cost-cutting and time-saving methods in many areas of its operations. The rehabilitation, reconstruction and maintenance required at public housing complexes had been performed, until recent years, by outside contractors. After careful analysis of the efficiency of this arrangement, and of results being obtained, the Authority decided to set up its own construction department to perform the work. Because this was an unprecedented step for a public housing agency anywhere to have taken, a period of organization was required. Now firmly established, the department has responsibility for maintaining 24 public housing projects and has taken over all construction jobs including extensive modernization work at Stella Wright Homes, now completed, Columbus Homes, which was started during 1977, and Scudder Homes. This work is being carried out under the federally-supported Target Projects Program, which is closely tied to the separately funded Modernization Program at these and other complexes. In addition, the Authority will participate under the President's Urban Initiatives Program geared to improve the quality of life at Hayes Homes, in Newark's Central Ward. In addition such individual assignments as installations of day-care and community centers, and construction of kitchens and small facilities throughout the projects are being handled by the department.

Further savings have been realized through the establishment of an energy conservation program, which has campaigned for energy savings throughout the public housing projects, and has been able to isolate areas where proper maintenance or purchasing can reduce utility bills.

In its continuing effort to involve residents, the Authority has hired and trained a number of young tenants to work in maintenance and rehabilitation jobs. Some of them have gained permanent positions with the Authority, or have gone on to skilled or semi-skilled work outside.



Systems Development

The human assets of the Authority are aided and abetted by a number of data systems that have been refined in recent years and are presently in full operation. These systems deal with such areas as rent collection, financial management, and construction planning.

The **Rent Collection System** has eliminated the old cash-based, pay-over-the-counter method that was practiced at individual public projects, and replaced it with single fully automated rental collection operation which has been centrally located at an easily accessible office in the city. Computerized **Financial Systems** organize accounts payable and cash management for far greater efficiency than in the past. A **Construction, Planning and Control System (CONPACS)** draws on private industry experience to organize material, labor and equipment for the Authority's construction and rehabilitation projects.

Another computerized system concerns **Maintenance Services** at public housing complexes. It is being tested at three public housing projects and when fully operative will permit improved efficiency in drawing up maintenance schedules and speeding up needed repairs.



**Funds Available for Expenditures
Fiscal Year 1978-1979**

Allocations	Millions	0	5	10	15	20	25	30	35	40
Low Income Housing operating Budget	\$24,475,550									
Modernization-Capital Improvement	20,492,097									
T.P.P./Special Programs	2,097,250									
Development-Housing Construction	11,498,280									
Housing Assistance—Section 8	1,334,700									
Urban Renewal Community Development	2,465,400									
Urban Renewal	37,896,661									
Total Funds Available	\$100,259,938									

Board of Commissioners



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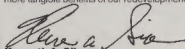
Letter from Mayor Gibson



I hope this report can give all of us a better understanding of the Newark Redevelopment and Housing Authority's efforts to build a better Newark. During the last year many of those efforts have come to fruition, not only in new construction on our urban renewal sites but also in new social programs in our public housing.

The Authority has shown a high degree of creativity and cooperation in working with other agencies and individuals. We must maintain this close teamwork among government, business, labor, institutions, community groups and citizens if we are to continue the improvement of our social and economic life.

While we recognize the strides that were made in 1977, we must make the Authority ever more effective in meeting the needs of the 10 per cent of Newark's people who live in its housing, and in meeting the desires of all of Newark's people to see and to share more tangible benefits of our redevelopment program.


Kenneth A. Gibson
Mayor, City of Newark